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OSD FOR WINTERNITZ, NSC FOR BRAUN

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SUBJECT: ZAGREB WEEKLY ACTIVITY REPORT - APRIL 10, 2008

1. (U) POTUS VISIT: "NO ONE WILL BE ABLE TO TAKE YOUR FREEDOM AWAY" GARNERS STRONGEST RESPONSE:

News articles and public reaction pieces in the media after the April 4-5 visit of President Bush to Zagreb were generally positive, as poll numbers seem to bear out (see next item). Most people interviewed and all dailies reported on the event itself positively, featuring most prominently President Bush's promise to protect Croatia's security as a NATO member. The President's address to the Croatian public in St. Mark's Square was well received, and people interviewed afterwards were visibly delighted to have seen the President. Columnists and commentary on the visit were more mixed. While many columnists treated Croatia's NATO accession as an "obvious" and "correct" choice, negative commentary focused on the "servile" behavior of the Croatian government towards America. NATO-skeptics' commentary also confirmed that much of their objection to Croatia's NATO accession is tied to negative views of the Administration. The two protests held during the visit were subdued, sparsely attended, and did not interfere with any aspect of the President's visit. (DMatijas)

2. (U) POLL CONFIRMS POSITIVE REACTION TO PRESIDENT'S VISIT AND GROWING SUPPORT FOR NATO:

In a poll conducted April 4-6 by the most reputable local firm, PULS, 78% of those polled said they thought President Bush's visit to Croatia was a positive thing, and only 9% felt it was a negative thing. (NOTE: The timing of the poll, stretching from the morning before the President's arrival to the day after his departure, makes it hard to interpret whether respondents were reacting to the mere fact of the visit, or to the President's specific comments and actions during his stay. Given how well the President's visit went, we expect the final result is even better than this poll's numbers. END NOTE.) In the same poll, 70% said Croatia's invitation to join NATO was a good thing, with only 14% describing it negatively. Support for actually accepting the invitation was somewhat lower, at 62%, but this number also indicates a continuing upward trend in public support for Croatia joining the Alliance. Post's overall assessment is that the President's visit, even if it has not persuaded committed NATO opponents to change sides, has moved some undecideds into the pro-NATO column and, together with the invitation from Bucharest, has taken momentum out of the campaign by local NGOs to force a public referendum on the issue. (RHoltzapple)

3. (U) RECORD FDI IN CROATIA IN 2007:

The Croatian National Bank (CNB) announced April 8 that Foreign Direct Investment (FDI) in Croatia reached a record 3.6 billion euros in 2007, an increase of 32% over 2006. Actual business investment accounted for 2.1 billion euros of total FDI, with foreign credit and bank recapitalization

making up the balance and accounting for a substantial part of the growth. CNB analysts expect lower growth this year as a result of the slowing of credit growth in the banking sector and the cooling off of the overall economy. (NBerliner)

Bradtke